

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Highways and Waste
<b>Date:</b>	9 September 2024
<b>Title:</b>	Local Bus Contract for Kings Barton
<b>Report From:</b>	Director of Universal Services

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### Purpose of this Report

1. The purpose of this report is to detail the outcome of tenders to provide a bus service in the Kings Barton area of Winchester. The service has been tendered via the Dynamic Purchasing System for the Provision of Passenger Transport Services. If approved, the contract will cost a total of £120,000 per annum. The full amount is due to be funded from the developer contributions funding arising from the Kings Barton development.

### Recommendations

2. That the Executive Member for Highways and Waste gives authority to spend and enter into contractual arrangements (in consultation with the Head of Legal Services) for a new contract for the Kings Barton local bus service, as set out in this report, to commence from 7 October 2024 for a period of two years with the possibility of a further one year extension, at a total cost of £360,000 funded through developer contributions.
3. That the Executive Member for Highways and Waste delegates authority to the Director of Universal Services, in consultation with the Executive Member for Highways and Waste, to make minor amendments to the contracts detailed above.

### Executive Summary

4. This paper seeks to propose a course of action to ensure that a public transport service in line with the requirements as detailed in the Section 106 agreement for the Kings Barton development is met to support access to work, education, retail, and health for the widest section of the community, thereby supporting quality of life and wellbeing while achieving value for money.
5. The proposed bus tender will provide passengers with a regular service as far as is affordable and take account of any known changes to the commercial network.

## Contextual information

6. The Section 106 agreement for the Kings Barton development provides a finite amount of funding for the County Council to provide a bus service once 250 House Units become occupied if it is agreed between the owner and the County Council that there is sufficient demand for the bus service at that time. Due to the impact of the Covid-19 pandemic on bus patronage, when 250 House Units became occupied, the County Council reviewed this requirement in partnership with the developer. At this time, both parties agreed that a taxishare service would be the most appropriate way to provide public transport and also ensure the longevity of the funding and protect it until such time that there would be sufficient demand to require a bus service.
7. Due to the Covid-19 pandemic, the implementation of this bus service has been delayed and instead, as an interim measure the County Council has utilised developer contributions to put a Taxishare service in place.
8. The Taxishare service offers 13 trips per day on a demand basis, starting at 0930 and running through until 1830 from the Kings Barton Developments to Winchester City Centre. Passengers are required to pre-book the service 24 hours in advance. The feedback that we have received on this service, is that it is less flexible than a regular bus service and therefore usage reflects this.
9. Following a survey undertaken by the County Council in partnership with a working group comprised of parish councillors, the bus manager from the County Council, and the local county councillor, there has been a clear outcome that residents strongly feel that the time is right for a bus service to be introduced to the site allowing better connectivity to the City Centre for onward commuting, shopping and appointments.
10. The County Council has provided timetable posters at the bus stop locations that the Taxishare serves, issued the Parish Council with copies of these to include in its community notice boards, and share on its social media and website. The aim of this was to give local residents all of the information they need and give the service the best possible start.
11. The working group which is made up of local Parish Councillors, the County Councillor for the area and the local bus manager from the County Council, have met regularly to discuss taking the project forward and also to discuss in detail the need to promote the service, and it is understood that the Parish Council have even provided the local residents with a door drop of the timetable that the County Council has produced.
12. The amount of Section 106 funding is finite. The County Council does not have additional funding to contribute towards the service. Therefore, the County Council would work with the proposed supplier and hold operator engagement sessions with the market to determine at what point they consider the service to be commercially viable. If the funding is spent before the service becomes commercially viable then the service will be withdrawn.
13. In December 2023, the County Council undertook a procurement exercise via its Dynamic Purchasing System (DPS) for the Provision of Passenger Transport services. This exercise included a specification with a number of different route options aimed at securing a bus service which met the requirements set out in

the Section 106 agreement with the Kings Barton development for operators to bid against.

14. The Lots tendered were:

**a. Service KB1 (Kings Barton)**

Lot 1 Mon – Sat direct service to Winchester City Centre operating from 0600 – 2100

Lot 2 Mon - Sat direct service to Winchester City Centre operating from 0600 – 2100 with an enhanced 30-minute service at peak times

Lot 3 Mon – Sun direct service to Winchester City Centre operating from 0600 – 2100 with an enhanced 30-minute service at peak times and an off-peak service on Sunday

Lot 4 Mon – Sat less direct service to Winchester City Centre via Royal Hampshire County Hospital operating from 0600 – 2100

Lot 5 Mon - Sat less direct service to Winchester City Centre via Royal Hampshire County Hospital operating from 0600 – 2100 with an enhanced 30-minute service at peak times

Lot 6 Mon – Sun less direct service to Winchester City Centre via Royal Hampshire County Hospital operating from 0600 – 2100 with an enhanced 30-minute service at peak times and an off-peak service on Sunday

Lot 7 Mon – Sat direct service to Winchester City Centre operating from 0700 – 1900 and an off-peak service on Saturday

15. The Covid-19 pandemic has had a negative impact on all passenger transport services in Hampshire, including rail, ferry, bus and community transport. Patronage on services dropped sharply at the outset of the pandemic and, due to a number of factors, including changes in the way people work, shop and choose to travel, patronage levels have not fully recovered. This is especially the case for passengers who hold either an Older Persons' or Disabled Persons concessionary bus pass.
16. This reduction in patronage has led to a fall in fare revenue for all passenger transport services which means it is now more expensive than pre-covid to provide such a service. Severe driver shortages and inflationary pressures through rises in energy, staff and fuel costs have further increased expenses.
17. The County Council continues to enjoy a strong working relationship with all bus operators in Hampshire, which not only ensures that both the Council and operators understand the challenges that each partner faces, but also that the County Council can support bus operators in Hampshire with issues such as driver recruitment. This is a national issue which tends to have localised areas where recruitment is more difficult, several of these being in Hampshire.
18. As a result of these challenges, the procurement exercise in December 2023 did not culminate in any bids which would offer value for money for the development and its residents. The costs submitted through the procurement exercise would also have exhausted the budget, as set out in the Section 106 agreement, in around two and a half years. The site will still be several years away from

completion at this point, which meant that this option did not represent the best interests of residents. However, the agreement requires the County Council to legally meet certain thresholds as it does for the developer. As the developer deposits the funds at trigger points throughout the build, the County Council will enhance the bus service accordingly.

19. Consequently, the County Council has worked with stakeholders and local operators to understand the alternative affordable options available and revise the specification in line with these.
20. The service proposed within this report is the outcome of this process; a new Community Bus service in line with the Section 106 agreement with the developer at Kings Barton. This report proposes that the contract for the Community Bus Service be awarded via direct award, given that the formal procurement process failed to secure an affordable outcome. It is proposed that the direct award is awarded for an initial two-year period with the possibility to extend for a further third year, depending on performance levels. This will be monitored with the proposed operator and with operator engagement towards the end of the initial two-year period to scope out the commercial viability longer term.
21. The option of a direct award with Communities First to provide a Community Bus Service allows for optimum flexibility with the level of service provided without the extensive notice periods a conventional bus operator would face through the Office of the Traffic Commissioner. This ensures both the best level of service and adaptability should customer demand require it.

## **Finance**

22. As set out in paragraphs 14 and 15 of this report, the operating environment for bus operators is exceptionally challenging. As a result, the County Council has been anticipating a large increase in tender prices for some time, setting this out in several reports which have been considered by the Executive Lead Member for Universal Services.
23. Overall, this tendering round represents a £120,000 cost per annum for the proposed level of service the Section 106 agreement requires to be provided for a sustainable local bus service in the Kings Barton area. The funding is a finite amount with no additional budget from Hampshire County Council. Therefore, it is crucial that the service shows potential of becoming commercially viable before the funding is spent.
24. The County Council will utilise the Section 106 funding to wholly fund this service to provide the Kings Barton area with a sustainable local bus service. Provided the Executive Member for Highways and Wastes gives approval to the proposed arrangements for the local administration of Section 106 funding at their decision day in September, this will be the source of funding used for the two or three-year period depending on the performance of the service.

## **Performance**

25. This section outlines the new service levels on the new service.

26. Service KB1 to operate Mon – Sat direct service to Winchester City Centre from 0700 – 1900 using a 16-seater vehicle.
27. The ongoing performance of the service will be monitored with the proposed operator in the form of passenger stats shared from the ticketing machine. There will also be operator engagement towards the end of the initial 2-year period. This will be an opportunity for other local bus providers in the area to determine how soon the service will become commercially viable within their existing network.
28. If the local bus providers do not see commercial viability, then the service will be withdrawn at the point that the available funding is fully spent.

### **Consultation and Equalities**

29. During the latter part of 2022, a working group was established with a view to collaboratively design the public transport service for Kings Barton. As a result, we collectively designed the consultation for residents whilst also setting out realistic expectations given the current condition of the market.
30. The County Council carried out a Consultation in 2023 with the residents of Kings Barton to understand what the level of usage would be, to determine the best outcome from the tender exercise and to assist when planning the service.
31. When designing the various lots that were tendered and drawing up recommendations for approval, consideration was given to the views expressed in this consultation.
32. The consultation received 226 responses during the period from 19 June 2023 until 31 July 2023. Of these responses, 40% are aware of the existence of the Taxishare service with only 8% of those using the service.
33. The Taxishare service does not provide a morning commuter service. However, included within the consultation we asked respondents what additional morning peak journeys they would benefit from. Five options were provided and an average of 20% was selected for these peak journeys from 0630 to 0830.
34. The Taxishare service currently offers two stop locations at either end of the development. In the consultation we asked residents whether they would benefit from an additional stop in each end of the development. An average of 79% selected that this would be welcomed.
35. Overall, 80% of all respondents selected they would benefit from a regular public bus service to conduct their business. This is a positive outcome. However, the County Council recognises that sometimes consultation results can have limited reliability. Therefore, the decision to trial an initial 2-year service with the flexibility to amend the timetable as required to best suit passengers is necessary to futureproof the longer-term commercial viability. Residents have been provided with information regarding the potential withdrawal of the service if it is considered unsustainable, both at forums and with the working group. Information regarding this will continue to be shared when publicising the service.
36. Data shows that a larger proportion of users of bus services tend to belong to groups with the following protected characteristics: Age, Disability, Sex,

Pregnancy & Maternity, Race, Rurality and Poverty. Therefore, the provision of this new service is expected to have a positive impact on these groups.

37. The following protected characteristics are neutrally impacted: Gender Reassignment, Religion or Belief, Sexual Orientation and Marriage & Civil Partnership as there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without.

### **Climate Change Impact Assessments**

38. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
39. Public transport offers an alternative to individuals travelling in a private car thus can help reduce carbon emissions on Hampshire's roads. A Climate Change impact assessment has been completed which demonstrates this service is anticipated to mitigate 1.56 tCO<sub>2</sub>e per annum.
40. Work will be undertaken to make sure these services are well publicised and promoted within their relevant communities to ensure that as many people as possible benefit from their positive climate credentials.

### **Conclusions**

41. The recommendations offer the best value which can be achieved at this time for the residents of Kings Barton given the challenging environment surrounding public transport.
42. The proposed approach within this report ensures that the communities served by this service secure a local transport link which improve their access to retail, health, education and leisure facilities.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	no
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

None

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

2.1 Data shows that a larger proportion of users of bus services tend to belong to groups with the following protected characteristics: Age, Disability, Sex, Pregnancy & Maternity, Race, Rurality and Poverty. Therefore, the provision of this new service is expected to have a positive impact on these groups.

2.2 The following protected characteristics are neutrally impacted: Gender Reassignment, Religion or Belief, Sexual Orientation and Marriage & Civil Partnership as there is no evidence to suggest that people with these characteristics are more likely to use public transport than those without.